(c) whether *tht* freight equalisation policy in iron and :teel only making goods produced in the E stern States less competitive thus maki ig these States economically backward > the States of other parts of the count y?

THE MINISTEI OF STATE IN THE MINISTRY OF PLANNING (SHRI SUKH RAM): (a) to (c) The Freight Equalisatio i Scheme are operated in vaj-id form —in some Cases e.g. fertilisers, aluminium, copper, zinc, lead, etc. there is equalisation of freight as well as sale price in the case of petrol urn products there are a number of refi iery ex-storage pricing points in the coun ry and some secondary pricing points at wits, the consumer is entitled to purchas from the pricing centre nearest to him and has to pay transportation cost fron there to the consumption point. In t ie case of iron and stee] and levy p rtion of cement, there is equalisation ol freight only. This generally covers i lil freight but includes transportation by road where rail facilities are not available as for example in the North-Eastern region and Jammu & Kashmir, it is c ifficult t_0 say which States are benefit! j by the operation of the Freight Equal sation Schemes and to what extent. T i_e Freight Equalisation Schemes do not | iake good produce^ in any State less cor petitive but neutralise the advantage of proximity to raw materials to the conce ned States. The freight element generally constitutes only a small parts of t >e total price payable by the consumer and it would not be correct to say that t u'$_s$ makes any States economically bact ward as compared to the other States c:· the country.

Domestic aircraft manufacture industry

2249. SHRI NIRMAL CHATTERJEE: SHRI M A. BABY;

Will the Minister of DEFENCE be pleased to state;

(a) whether Government have any plan **for** building up a domestic aircraft manu facturing industry while negotiating pur chases of aircrafs from foreign manu facturers, as was done in Indonesia and Brazil; and

(b) if so, what are the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF DEFENCE PRODUCTION AND SUPPLIES IN THE MINISTRY OF DEFENCE (SHRI SHIVRAJ PATIL): (a) and (b) There i_s already a domestic aircraft manufacturing industry in the form of M/s. Hindustan Aeronautics Limited (HAL). While negotiating purchases of aircraft from foreign manufacturers, technology transfer for licence production of aircraft in India is also considered keeping is view the need and the techno-economic considerations. Some of the aircraft being presently manufactured under licence of HAL are—Jaguar, Dornier and the Many series of aircraft.

World bank suggestion of devaluation of rupee

2250. SHRI SUKOMAL SEN;
SHRI MOSTAFA BIN QUASEM;

Will the Minister of FINANCE be pleased to state;

(a) whether it is a fact that in view of extreme slow growth in export limiting imports of essentials the World Bank has suggested for a major devaluation of the external value of the rupee; and

(b) if so, reaction of the Government to said suggestion?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): (a) No, Sir.

(b) Does not arise.

Budgetary support to public sector units

2251. SHRI GURUDAS DAS GUPTA; SHRI SURA J PRASAD:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government has a proposal to withdraw budgetary support to the public sector units; and